



**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS
AUDIT EXAMINATION OF THE
BARREN COUNTY FISCAL COURT**

Fiscal Year Ended June 30, 2001

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EXECUTIVE SUMMARY

AUDIT EXAMINATION OF THE BARREN COUNTY FISCAL COURT

Fiscal Year Ended June 30, 2001

The Auditor of Public Accounts has completed the Barren County Fiscal Court audit for fiscal year ended June 30, 2001. We have issued an unqualified opinion on the financial statements taken as a whole. Based upon the audit work performed, the financial statements are presented fairly in all material respects.

Financial Condition:

Cash balances decreased by \$1,102,531 from the beginning of the year, resulting in a cash surplus of \$2,910,915 as of June 30, 2001.

Debt Obligations:

Total bonded debt principal as of June 30, 2001, was \$7,975,000. Future collections of \$13,683,019 are needed over the next 8 years to pay all bonded debt principal and interest.

Deposits:

The fiscal court's deposits were insured and collateralized by bank securities or bonds.

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EDWARD B. HATCHETT, JR.
AUDITOR OF PUBLIC ACCOUNTS

To the People of Kentucky

Honorable Paul E. Patton, Governor

T. Kevin Flanery, Secretary

Finance and Administration Cabinet

Dana Mayton, Secretary, Revenue Cabinet

Honorable Frederick L. Travis, Barren County Judge/Executive

Members of the Barren County Fiscal Court

Independent Auditor's Report

We have audited the accompanying statement of assets, liabilities, and fund balances arising from cash transactions of Barren County, Kentucky, as of June 30, 2001, and the related statement of cash receipts, cash disbursements, and changes in cash balances for the year then ended. These financial statements are the responsibility of the Barren County Fiscal Court. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, and the Audit Guide for Fiscal Court Audits issued by the Auditor of Public Accounts, Commonwealth of Kentucky. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, Barren County, Kentucky, prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the modified cash basis and laws of Kentucky, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The modified cash basis accounting system does not require an entity to maintain a general fixed asset group or a general long-term debt group of accounts.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and fund balances arising primarily from cash transactions as of June 30, 2001 of Barren County, Kentucky, and the revenues received and expenditures paid for the year then ended, in conformity with the modified cash basis of accounting.

To the People of Kentucky
Honorable Paul E. Patton, Governor
T. Kevin Flanery, Secretary
Finance and Administration Cabinet
Dana Mayton, Secretary, Revenue Cabinet
Honorable Frederick L. Travis, Barren County Judge/Executive
Members of the Barren County Fiscal Court

In accordance with Government Auditing Standards, we have also issued our report dated April 23, 2002 on our consideration of Barren County, Kentucky's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

The accompanying financial information listed as supporting schedules in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of Barren County, Kentucky. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ed Hatchett", with a horizontal line extending from the end of the signature.

Edward B. Hatchett, Jr.
Auditor of Public Accounts

Audit fieldwork completed -
April 23, 2002

BARREN COUNTY OFFICIALS

Fiscal Year Ended June 30, 2001

Fiscal Court Members:

Frederick L. Travis	County Judge/Executive
James Duvall	Magistrate
Robert T. Groce	Magistrate
Samuel Perkins	Magistrate
Thomas Matthews	Magistrate
James Donald Jackson	Magistrate
Dr. Christopher D. Steward	Magistrate
Dr. Steven M. Welborn	Magistrate

Other Elected Officials:

Jeff Sharp	County Attorney
Donald Frazier	Jailer
Pamela S. Browning	County Clerk
Nancy B. Botts	Circuit Court Clerk
Barney E. Jones	Sheriff
Rex Kelly Patterson	Property Valuation Administrator
Michael T. Swift	Coroner

Appointed Personnel:

Karen Bracken	County Treasurer
Nancy Houchens	Deputy Judge
Sherry J. Jones	Finance Officer
Ulysses Wood Strader	Road Supervisor
Juanita Adwell	Jail Administrative

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STATEMENT OF ASSETS, LIABILITIES,
AND FUND BALANCES ARISING FROM CASH TRANSACTIONS

BARREN COUNTY
STATEMENT OF ASSETS, LIABILITIES,
AND FUND BALANCES ARISING FROM CASH TRANSACTIONS

June 30, 2001

Assets and Other Resources

Assets

General Fund Type

General Fund:

Cash	\$ 211,885	
Investments	658,212	
Road and Bridge Fund:		
Cash	62,246	
Jail Fund:		
Cash	22,189	
Local Government Economic Assistance Fund:		
Cash	1,098	
Payroll Revolving Account - Cash	<u>330</u>	\$ 955,960

Special Revenue Fund Type

1994 Tax Escrow Fund:		
Cash	\$ 4,548	
1996 Tax Escrow Fund:		
Cash	682	
1999 Tax Escrow Fund		
Cash	2,338	
Work Release Fund:		
Cash	<u>322</u>	7,890

Capital Projects Fund Type

Courthouse Annex Construction Fund:

Cash	\$ 1,925,219	
Investments	<u>56</u>	1,925,275

Debt Service Fund Type

Public Properties Corporation:

Courthouse and Corrections Bond Fund 1998 Series-		
Cash		22,121

The accompanying notes are an integral part of the financial statements.

BARREN COUNTY
 STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES
 ARISING FROM CASH TRANSACTIONS
 June 30, 2001
 (Continued)

Assets and Other Resources (Continued)

Other Resources

Debt Service Fund Type

Courthouse Annex Sinking Fund:

Amounts to be Provided in Future Years for Bond Principal Payments \$ 3,245,000

Public Properties Corporation:

Courthouse and Corrections Bond Fund 1998 Series-

Amounts to be Provided in Future Years for Bond Principal Payments 4,707,879 \$ 7,952,879

Total Assets and Other Resources \$ 10,864,125

Liabilities and Fund Balances

Liabilities

General Fund Type

Payroll Revolving Account \$ 330

Debt Service Fund Type

Courthouse Annex Sinking Fund:

General Obligation Bond Principal Payments (Note 4) \$ 3,245,000

Public Properties Corporation:

Courthouse and Corrections Bond Fund 1998 Series-

Bond Principal Payments (Note 4) 4,730,000 7,975,000

Fund Balances

Reserved:

Capital Projects Fund Type

Courthouse Annex Construction Fund 1,925,275

The accompanying notes are an integral part of the financial statements.

BARREN COUNTY
 STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES
 ARISING FROM CASH TRANSACTIONS
 June 30, 2001
 (Continued)

Liabilities and Fund Balances (Continued)

Unreserved:

General Fund Type

General Fund	\$	870,097	
Road and Bridge Fund		62,246	
Jail Fund		22,189	
Local Government Economic Assistance Fund		<u>1,098</u>	\$ 955,630

Special Revenue Fund Type

1994 Tax Escrow Fund	\$	4,548	
1996 Tax Escrow Fund		682	
1999 Tax Escrow Fund		2,338	
Work Release Fund		<u>322</u>	<u>7,890</u>
Total Liabilities and Fund Balances			<u>\$ 10,864,125</u>

The accompanying notes are an integral part of the financial statements.

STATEMENT OF CASH RECEIPTS,
CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES

BARREN COUNTY
STATEMENT OF CASH RECEIPTS,
CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES

Fiscal Year Ended June 30, 2001

	General Fund Type			
	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
<u>Cash Receipts</u>				
Schedule of Operating Revenue	\$ 8,417,218	\$ 5,084,078	\$ 1,427,643	\$ 1,041,909
Transfers In	1,978,173	651,291	200,000	85,000
Kentucky Advance Revenue Program	3,039,300	3,039,300		
Total Cash Receipts	<u>\$ 13,434,691</u>	<u>\$ 8,774,669</u>	<u>\$ 1,627,643</u>	<u>\$ 1,126,909</u>
<u>Cash Disbursements</u>				
Comparative Schedule of Final Budget and Budgeted Expenditures	\$ 8,430,663	\$ 3,884,436	\$ 1,576,249	\$ 1,142,453
Contracted Services	177,364			
Transfers Out	1,978,173	1,172,872	125,000	77,005
Bonds:				
Principal Paid	210,000	105,000		
Interest Paid	401,722	90,079		
Borrowed Money Repaid	300,000			
Kentucky Advance Revenue Program Repaid	3,039,300	3,039,300		
Total Cash Disbursements	<u>\$ 14,537,222</u>	<u>\$ 8,291,687</u>	<u>\$ 1,701,249</u>	<u>\$ 1,219,458</u>
Excess (Deficiency) of Cash Receipts Over (Under) Cash Disbursements	\$ (1,102,531)	\$ 482,982	\$ (73,606)	\$ (92,549)
Cash Balance - July 1, 2000	<u>4,013,446</u>	<u>387,116</u>	<u>135,852</u>	<u>114,737</u>
Cash Balance - June 30, 2001	<u>\$ 2,910,915</u>	<u>\$ 870,098</u>	<u>\$ 62,246</u>	<u>\$ 22,188</u>

The accompanying notes are an integral part of the financial statements.

BARREN COUNTY
 STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
 CHANGES IN CASH BALANCES
 Fiscal Year Ended June 30, 2001
 (Continued)

General Fund Type		Special Revenue Fund Type			
Local Government Economic Assistance Fund	Library Taxing District Fund	1994 Tax Escrow Fund	1996 Tax Escrow Fund	1999 Tax Escrow Fund	Work Release Fund
\$ 42,040	\$ 161,531	\$ 247	\$ 20	\$ 2,338	\$ 15,117
\$ 42,040	\$ 161,531	\$ 247	\$ 20	\$ 2,338	\$ 15,117
\$ 41,409	\$ 161,531	\$	\$	\$	\$ 15,833
\$ 41,409	\$ 161,531	\$ 0	\$ 0	\$ 0	\$ 15,833
\$ 631 467	\$ 0	\$ 247 4,301	\$ 20 661	\$ 2,338	\$ (716) 1,038
\$ 1,098	\$ 0	\$ 4,548	\$ 681	\$ 2,338	\$ 322

The accompanying notes are an integral part of the financial statements.

BARREN COUNTY
 STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
 CHANGES IN CASH BALANCES
 Fiscal Year Ended June 30, 2001
 (Continued)

	<u>Capital Projects Fund Type</u>		<u>Debt Service Fund Type</u>	
	Public Properties Corporation		Public Properties Corporation	
	Courthouse Annex Construction Fund	Detention Center Construction Fund	Courthouse and Corrections Bond Fund 1998 Series	Courthouse Annex Sinking Fund
<u>Cash Receipts</u>				
Schedule of Operating Revenue	\$ 640,164	\$	\$ 2,131	\$
Transfers In	631,272	77,005	333,605	
Kentucky Advance Revenue Program				
Total Cash Receipts	<u>\$ 1,271,436</u>	<u>\$ 77,005</u>	<u>\$ 335,736</u>	<u>\$ 0</u>
<u>Cash Disbursements</u>				
Comparative Schedule of Final Budget and Budgeted Expenditures	\$ 1,786,116	\$	\$	\$
Contracted Services				
Transfers Out	524,386	78,910		
Bonds:				
Principal Paid			105,000	
Interest Paid	61,554		228,570	21,519
Borrowed Money Repaid	300,000			
Kentucky Advance Revenue Program Repaid				
Total Cash Disbursements	<u>\$ 2,672,056</u>	<u>\$ 78,910</u>	<u>\$ 333,570</u>	<u>\$ 21,519</u>
Excess (Deficiency) of Cash Receipts Over (Under) Cash Disbursements	\$ (1,400,620)	\$ (1,905)	\$ 2,166	\$ (21,519)
Cash Balance - July 1, 2000	<u>3,325,895</u>	<u>1,905</u>	<u>19,955</u>	<u>21,519</u>
Cash Balance - June 30, 2001	<u><u>\$ 1,925,275</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 22,121</u></u>	<u><u>\$ 0</u></u>

The accompanying notes are an integral part of the financial statements.

BARREN COUNTY
NOTES TO FINANCIAL STATEMENTS

June 30, 2001

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The financial statements of Barren County include the funds, agencies, boards, and entities for which the fiscal court is financially accountable. Financial accountability, as defined by Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, as amended by GASB 14, was determined on the basis of the government's ability to significantly influence operations, select the governing authority, participate in fiscal management and the scope of public service. Based upon the criteria stated in GASB 14, management has included the Library Taxing District and Barren County Public Properties Corporation as part of the reporting entity.

Library Taxing District

The fiscal court appoints a voting majority of the governing board and has the ability to impose its will on the governing board. In addition, the fiscal court is financially accountable for the district. Financial information for the Public Properties Corporation is blended within Barren County's financial statements.

Barren County Public Properties Corporation

The fiscal court appoints a voting majority of the Public Properties Corporation's governing board and has the ability to impose its will on the governing board. In addition, the fiscal court is financially accountable and legally obligated for the debt of the Public Properties Corporation. Financial information for the Public Properties Corporation is blended within Barren County's financial statements.

Additional - Barren County Constitutional Elected Officials

- Circuit Court Clerk
- County Attorney
- County Clerk
- County Sheriff
- Property Valuation Administrator

The Kentucky constitution provides for election of the above officials from the geographic area constituting Barren County. Pursuant to state statute, these officials perform various services for the Commonwealth of Kentucky, its judicial courts, the fiscal court, various cities and special districts within the county, and the board of education. In exercising these responsibilities, however, they are required to comply with state laws. Audits of their financial statements are issued separately and individually and can be obtained from their respective administrative offices.

BARREN COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2001
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

B. Fund Accounting

Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. The government uses funds to report on its financial position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts. Barren County Fiscal Court's Fund Types, a definition of each, and county funds included within each fund type are listed below.

1) General Fund Type

General Fund Type accounts for all financial resources except those required to be accounted for in another fund type. The Barren County General Fund Type includes the following county funds: General Fund, Road and Bridge Fund, Jail Fund, and Local Government Economic Assistance Fund.

2) Special Revenue Fund Type

Special Revenue Fund Type accounts for the proceeds of specific revenue sources that are legally restricted to expenditures for the specified purpose. The Library Taxing District Fund, 1994 Tax Escrow Fund, 1996 Tax Escrow Fund, 1999 Tax Escrow Fund, and the Work Release Fund are reported as Special Revenue Fund Types.

3) Debt Service Fund Type

Debt Service Fund Type accounts for the accumulation of resources for the payment of general long-term debt principal and interest and include funds for the Public Properties Corporation Courthouse and Corrections Bond Fund - 1998 Series and the Courthouse Annex Sinking Fund. Debt service is provided through annual transfers from the General Fund Type in the amount of the debt service requirements for the year.

4) Capital Projects Fund Type

Capital Projects Fund Type accounts for financial resources to be used for acquisition of major capital facilities. The Courthouse Annex Construction Fund and the Public Properties Corporation Detention Center Construction Fund of the Fiscal Court are reported as Capital Projects Fund Types.

C. Basis of Accounting

For all fund types, the county utilizes a modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under this basis of accounting, assets, liabilities, and related revenues and expenditures are recorded when they result from cash transactions, with a few exceptions. This modified cash basis recognizes revenues when received, except for the recording of long-term receivables and deferred revenue. Expenditures are recognized when paid, except for the recording of long-term obligations and amounts to be provided in future years.

BARREN COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2001
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

D. Legal Compliance - Budget

The Barren County budget is adopted on a cash basis of accounting and according to the laws of Kentucky as required by the State Local Finance Officer. The County Judge/Executive is required to submit estimated receipts and proposed expenditures to the fiscal court by May 1 of each year. The budget is prepared by fund, function, and activity and is required to be adopted by the fiscal court by July 1.

The fiscal court may change the original budget by transferring appropriations at the activity level; however, the fiscal court may not increase the total budget without approval by the State Local Finance Officer. Expenditures may not exceed budgeted appropriations at the activity level.

Formal budgets are not adopted for the Library Taxing District, Public Properties Corporation Detention Center Construction Fund, and Courthouse Annex Sinking Fund. The Department for Local Government does not require these funds to be budgeted.

E. Cash and Investments

Cash includes amounts in bank accounts, and investments are stated at cost. Investments may include certificates of deposit on the financial statements; however, for the purpose of disclosing credit risk (Note 3), investments exclude certificates of deposit.

KRS 66.480 authorizes the county to invest in the following, including but not limited to, obligations of the United States and of its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States, obligations of any corporation of the United States government, bonds or certificates of indebtedness of this state, and certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation (FDIC) or which are collateralized, to the extent uninsured, by any obligation permitted by KRS 41.240(4).

F. Related Organizations

A related organization is an entity for which a primary government is not financially accountable. It does not impose will or have a financial benefit or burden relationship, even if the primary government appoints a voting majority of the related organization's governing board. Based on these criteria, the following are considered related organizations of Barren County Fiscal Court:

Barren County Soil Conservation District
Barren County Extension District

BARREN COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2001
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

G. Joint Ventures

A legal entity or other organization that results from a contractual agreement and that is owned, operated, or governed by two or more participants as a separate activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility is a joint venture. The Joint City-County Planning and Zoning Commission, Ambulance Service Corporation, Inc., Glasgow - Barren County Industrial Development and Economic Authority, Glasgow - Barren County Animal Shelter Board, Barren-Metcalf Emergency Communications Center, and Glasgow - Barren County Tourism and Convention Commission are joint ventures.

Note 2. Employee Retirement System

The county has elected to participate in the County Employees Retirement System (CERS), pursuant to KRS 78.530 administered by the Board of Trustees of the Kentucky Retirement Systems. This is a multiple-employer public retirement system which covers all eligible full-time employees. Benefit contributions and provisions are established by statute. Nonhazardous covered employees are required to contribute 5 percent of their salary to the plan. The county's contribution rate for nonhazardous employees was 7.17 percent. Hazardous covered employees are required to contribute 7 percent of their salary to the plan. The county's contribution rate for hazardous employees was 16.78 percent.

Benefits fully vest on reaching five years of service for nonhazardous employees. Aspects of benefits for nonhazardous employees include retirement after 27 years of service or age 65. Aspects of benefits for hazardous employees include retirement after 20 years of service or age 55.

Historical trend information showing the CERS' progress in accumulating sufficient assets to pay benefits when due is present in the Kentucky Retirement Systems' annual financial report.

Note 3. Deposits and Investments

A. Deposits

The county maintained deposits of public funds with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC). According to KRS 66.480(1)(d) and KRS 41.240(4), the depository institution should pledge or provide sufficient collateral which, together with FDIC insurance, equals or exceeds the amount of public funds on deposit at all times. In order to be valid against the FDIC in the event of failure or insolvency of the depository institution, this pledge or provision of collateral should be evidenced by an agreement between the county and the depository institution, signed by both parties, that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution. These requirements were met, and as of June 30, 2001, the county's deposits were fully insured or collateralized at a 100% level with collateral of either pledged securities held by the county's agent in the county's name, or provided surety bond which named the county as beneficiary/obligee on the bond.

BARREN COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2001
(Continued)

Note 3. Deposits and Investments (Continued)

B. Investments

The county's investments are categorized below to give an indication of the level of risk assumed by the county at year-end. Category 1 includes investments that are insured or registered or the securities are held by the county or by the county's agent in the county's name. Category 2 includes uninsured and unregistered investments where the securities are held by the financial institution in the county's name. Category 3 includes uninsured and unregistered investments where the securities were held by the financial institution, but not in the county's name.

Types of Investments	Category 1	Carrying Amount	Market Value
U.S. Treasury Notes	\$ 658,268	\$ 658,268	\$ 1,012,343

Note 4. Long-Term Debt

On July 24, 1998, the Barren County Public Properties Corporation issued \$4,965,000 Series 1998 Revenue Bonds in two different bond issues. The outstanding bond principal for these two issues was \$4,730,000 as of June 30, 2001.

- A. Bonds outstanding of the Barren County Public Properties Corporation Administrative Office Of The Courts Renovation and Construction Project are \$3,835,000 of 3.9% through 5.0% revenue bonds, series 1998 dated July 1, 1998. Interest is paid semiannually on February 1 and August 1, and principal is paid February 1 of each year.

Due Date	Interest	Principal
2002	\$ 183,765	\$ 70,000
2003	180,895	75,000
2004	177,820	75,000
2005	174,670	80,000
2006	171,230	85,000
2007-2029	2,393,363	3,450,000
Totals	\$ 3,281,743	\$ 3,835,000

BARREN COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2001
(Continued)

Note 4. Long-Term Debt (Continued)

- B. Bonds outstanding of the Barren County Public Properties Corporation Correction Center Project are \$895,000 of 3.9% through 4.8% revenue bonds, series 1998, dated July 1, 1998. Interest is paid semiannually on February 1 and August 1, and principal is paid February 1 each year.

<u>Due Date</u>	<u>Interest</u>	<u>Principal</u>
2002	\$ 40,605	\$ 35,000
2003	39,170	40,000
2004	37,530	40,000
2005	35,850	40,000
2006	34,130	45,000
2007-2018	230,387	695,000
Totals	<u>\$ 417,672</u>	<u>\$ 895,000</u>

- C. Bonds outstanding of the Barren County Courthouse Annex Bond Fund are \$3,245,000 of general obligation bonds, Series 2000, dated May 15, 2000. Interest is paid semiannually on May 1 and November 1, and principal is paid May 1 each year.

<u>Due Date</u>	<u>Interest</u>	<u>Principal</u>
2002	\$ 174,645	\$ 105,000
2003	169,133	110,000
2004	163,357	115,000
2005	157,320	120,000
2006	151,020	125,000
2007-2020	1,215,250	2,670,000
Totals	<u>\$ 2,030,725</u>	<u>\$ 3,245,000</u>

BARREN COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2001
(Continued)

Note 5. Lease-Purchase Agreements

The county has entered into the following lease-purchase agreements:

Description	Balance 7/1/2000	Payments	Balance June 30, 2001
Copiers:			
County Attorney and County Clerk	\$ 14,507	\$ 6,696	\$ 7,811
Clerk's Computer Lease	158,500	38,040	120,460
Judge/Executive's Computer Lease	5,669	2,617	3,052
Treasurer's Computer Lease	4,869	2,087	2,782
Sheriff's Copier Lease	3,174	1,229	1,945
1999 Ford Truck Lease	10,356	4,219	6,137
Totals	<u>\$ 197,075</u>	<u>\$ 54,888</u>	<u>\$ 142,187</u>

Note 6. Subsequent Events

The fiscal court entered into three lease agreements after June 30, 2001 for defibrillators, dump trucks and ambulances totaling \$401,286 under the Kentucky Association of Counties Leasing Trust Program.

Note 7. Jail Canteen Fund

The canteen operations are authorized pursuant to KRS 441.135(1), which allows the jailer to sell snacks, sodas, and other items to inmates. The profits generated from the sale of those items are to be used for the benefit or recreation of the inmates. KRS 441.135(2) requires the jailer to maintain accounting records and report annually to the county treasurer the receipts and disbursements of the Jail Canteen. Technical Audit Bulletin 97-001 provides additional accounting and expenditure guidance for acceptable jail canteen operations.

The Barren County Jail Canteen Fund had income of \$149,635, less cost of goods sold of \$148,455, leaving net income at \$1,180 as of June 30, 2001. All profit expenditures were for the benefit and/or recreation of the inmates.

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COMPARATIVE SCHEDULE OF
BUDGETED TO ACTUAL OPERATING REVENUE

BARREN COUNTY
COMPARATIVE SCHEDULE OF
BUDGETED TO ACTUAL OPERATING REVENUE

Fiscal Year Ended June 30, 2001

<u>Budgeted Funds</u>	<u>Budgeted Operating Revenue</u>	<u>Actual Operating Revenue</u>	<u>Over (Under) Budget</u>
<u>General Fund Type</u>			
General Fund	\$ 7,157,532	\$ 5,084,078	\$ (2,073,454)
Road and Bridge Fund	1,744,325	1,427,643	(316,682)
Jail Fund	1,151,185	1,041,909	(109,276)
Local Government Economic Assistance Fund	45,000	42,040	(2,960)
Community Development Block Grant Fund	50,000		(50,000)
<u>Special Revenue Fund Type</u>			
1994 Tax Escrow Fund	100	247	147
1996 Tax Escrow Fund	100	20	(80)
<u>Capital Projects Fund Type</u>			
Courthouse Annex Construction Fund	491,886	640,164	148,278
<u>Debt Service Fund Type</u>			
Public Properties Courthouse and Corrections Bond Fund	<u>408,670</u>	<u>2,131</u>	<u>(406,539)</u>
Totals	<u>\$ 11,048,798</u>	<u>\$ 8,238,232</u>	<u>\$ (2,810,566)</u>
<u>Reconciliation</u>			
Total Budgeted Operating Revenue Above			\$ 11,048,798
Add: Budgeted Prior Year Surplus			3,970,443
Less: Other Financing Uses			<u>(4,040,825)</u>
Total Operating Budget Per Comparative Schedule Of Final Budget and Budgeted Expenditures			<u>\$ 10,978,416</u>

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SCHEDULE OF OPERATING REVENUE

BARREN COUNTY
SCHEDULE OF OPERATING REVENUE

Fiscal Year Ended June 30, 2001

Revenue Categories	GOVERNMENTAL FUND TYPES				
	Totals (Memorandum Only)	General Fund Type	Special Revenue Fund Type	Capital Projects Fund Type	Debt Service Fund Type
Taxes	\$ 2,473,308	\$ 2,309,441	\$ 163,867	\$	\$
In Lieu Tax Payments	72,601	72,601			
Licenses and Permits	2,107	2,107			
Intergovernmental Revenues	5,271,167	4,771,167		500,000	
Charges for Services	124,218	124,218			
Miscellaneous Revenues	157,095	141,978	15,117		
Interest Earned	316,722	174,158	269	140,164	2,131
Total Operating Revenue	<u>\$ 8,417,218</u>	<u>\$ 7,595,670</u>	<u>\$ 179,253</u>	<u>\$ 640,164</u>	<u>\$ 2,131</u>

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COMPARATIVE SCHEDULE OF
FINAL BUDGET AND BUDGETED EXPENDITURES

BARREN COUNTY
COMPARATIVE SCHEDULE OF
FINAL BUDGET AND BUDGETED EXPENDITURES

Fiscal Year Ended June 30, 2001

Expenditure Categories	GENERAL FUND TYPE		
	Final Budget	Budgeted Expenditures	Under (Over) Budget
General Government	\$ 2,148,848	\$ 1,867,448	\$ 281,400
Protection to Persons and Property	1,922,451	1,783,451	139,000
General Health and Sanitation	395,718	372,454	23,264
Social Services	136,200	76,301	59,899
Recreation and Culture	277,215	144,765	132,450
Roads	1,618,594	1,471,113	147,481
Debt Service	123,568	121,540	2,028
Capital Projects	30,041	30,041	
Administration	864,929	777,435	87,494
Total Operating Budget - All General Fund Types	\$ 7,517,564	\$ 6,644,548	\$ 873,016
Other Financing Uses:			
Annex Bonds-			
Principal	105,000	105,000	
Interest	124,350	90,079	34,271
Borrowed Money-			
Kentucky Advanced Revenue Program - Principal	3,039,300	3,039,300	
TOTAL BUDGET - ALL GENERAL FUND TYPES	<u>\$ 10,786,214</u>	<u>\$ 9,878,927</u>	<u>\$ 907,287</u>
Expenditure Categories	SPECIAL REVENUE FUND TYPE		
	Final Budget	Budgeted Expenditures	Under (Over) Budget
General Government	\$ 5,163	\$	\$ 5,163
TOTAL BUDGET - SPECIAL REVENUE FUND TYPE	<u>\$ 5,163</u>	<u>\$ 0</u>	<u>\$ 5,163</u>

BARREN COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 2001
 (Continued)

CAPITAL PROJECTS FUND TYPE			
Expenditure Categories	Final Budget	Budgeted Expenditures	Under (Over) Budget
Debt Service	\$ 7,000	\$ 4,915	\$ 2,085
Capital Projects	3,448,689	1,781,201	1,667,488
Total Operating Budget - All Capital Projects Fund Types	\$ 3,455,689	\$ 1,786,116	\$ 1,669,573
Other Financing Uses:			
Courthouse Annex's Construction Bond-			
Bond Anticipation Notes	300,000	300,000	
Bond Interest	61,600	61,554	46
TOTAL BUDGET - CAPITAL PROJECTS FUND TYPE	<u>\$ 3,817,289</u>	<u>\$ 2,147,670</u>	<u>\$ 1,669,619</u>
DEBT SERVICE FUND TYPE			
Expenditure Categories	Final Budget	Budgeted Expenditures	Under (Over) Budget
Other Financing Uses:			
Bonds-			
Principal	\$ 182,005	\$ 105,000	\$ 77,005
Interest	228,570	228,570	
TOTAL BUDGET - DEBT SERVICE FUND TYPE	<u>\$ 410,575</u>	<u>\$ 333,570</u>	<u>\$ 77,005</u>

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS



EDWARD B. HATCHETT, JR.
AUDITOR OF PUBLIC ACCOUNTS

To the People of Kentucky

Honorable Paul E. Patton, Governor

T. Kevin Flanery, Secretary

Finance and Administration Cabinet

Dana Mayton, Secretary, Revenue Cabinet

Honorable Frederick L. Travis, Barren County Judge/Executive

Members of the Barren County Fiscal Court

**Report On Compliance And On Internal Control
Over Financial Reporting Based On An Audit Of Financial
Statements Performed In Accordance With Government Auditing Standards**

We have audited the financial statements of Barren County, Kentucky, as of and for the year ended June 30, 2001, and have issued our report thereon dated April 23, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Barren County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Barren County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Report On Compliance And On Internal Control
Over Financial Reporting Based On An Audit Of Financial
Statements Performed In Accordance With Government Auditing Standards
(Continued)

This report is intended solely for the information and use of management and is not intended to be, and should not be, used by anyone other than the specified party.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ed Hatchett", with a long horizontal flourish extending to the right.

Edward B. Hatchett, Jr.
Auditor of Public Accounts

Audit fieldwork completed -
April 23, 2002

CERTIFICATION OF COMPLIANCE -
LOCAL GOVERNMENT ECONOMIC ASSISTANCE PROGRAMS

BARREN COUNTY FISCAL COURT

Fiscal Year Ended June 30, 2001


CERTIFICATION OF COMPLIANCE

LOCAL GOVERNMENT ECONOMIC ASSISTANCE PROGRAM

BARREN COUNTY FISCAL COURT

Fiscal Year Ended June 30, 2001

The Barren County Fiscal Court hereby certifies that assistance received from the Local Government Economic Assistance Program was expended for the purpose intended as dictated by the applicable Kentucky Revised Statutes.



Name

County Judge/Executive



Name

County Treasurer

AUDIT OF BARREN-METCALFE EMERGENCY COMMUNICATIONS CENTER, INC.

Fiscal Year Ended June 30, 2001

Appendix B

**BARREN-METCALFE EMERGENCY
COMMUNICATIONS CENTER**

**Audits of Financial Statements
For the years ended
June 30, 2001 and 2000**

CONTENTS

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Independent Auditors' Report	1
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Statements of Income and Retained Earnings	3
Statements of Cash Flows	4
Notes to Financial Statements	5 - 7
Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	8 - 9

CAMPBELL, MYERS & RUTLEDGE
CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditors' Report

Barren-Metcalf Emergency Communications Center
Glasgow, Kentucky 42141

We have audited the accompanying financial statements of Barren-Metcalf Emergency Communications Center for the years ended June 30, 2001 and 2000, as listed in the table of contents. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Barren-Metcalf Emergency Communications Center, as of June 30, 2001 and 2000, and the results of operations and cash flows for the years then ended in conformity with generally accepted accounting principles in the United States of America.

In accordance with Government Auditing Standards we have also issued a report dated December 28, 2001, on our consideration of the Barren-Metcalf Emergency Communications Center's internal control over financial reporting and our test of compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Respectfully submitted,


Certified Public Accountants

December 28, 2001

BARREN-METCALFE EMERGENCY COMMUNICATIONS CENTER
BALANCE SHEETS
June 30, 2001 and 2000

ASSETS

	<u>2001</u>	<u>2000</u>
CURRENT ASSETS:		
Cash-South Central Bank	\$ 21,386	\$ 44,711
Cash-Edmonton State Bank	49,279	-
Investments-Sinking Fund (Note 3)	293,533	248,265
Investments-Operating (Note 3)	19,210	19,234
Prepaid Maintenance	6,823	3,674
Accounts Receivable	27,317	27,031
Prepaid Insurance	486	448
TOTAL CURRENT ASSETS	<u>418,034</u>	<u>343,363</u>
 PROPERTY AND EQUIPMENT		
Building improvements	8,644	8,644
Furniture	5,915	5,915
Equipment	<u>759,826</u>	<u>668,257</u>
	774,385	682,816
Less accumulated depreciation	<u>(576,505)</u>	<u>(478,972)</u>
TOTAL PROPERTY AND EQUIPMENT	<u>197,880</u>	<u>203,844</u>
 TOTAL ASSETS	 <u><u>\$ 615,914</u></u>	 <u><u>\$ 547,207</u></u>

LIABILITIES AND EQUITY

CURRENT LIABILITIES:		
Accounts payable	\$ 7,410	\$ 5,974
TOTAL CURRENT LIABILITIES	<u>7,410</u>	<u>5,974</u>
 TOTAL LIABILITIES	 <u>7,410</u>	 <u>5,974</u>
 RETAINED EARNINGS	 <u>608,504</u>	 <u>541,233</u>
 TOTAL LIABILITIES AND EQUITY	 <u><u>\$ 615,914</u></u>	 <u><u>\$ 547,207</u></u>

The accompanying notes are an integral
part of the financial statements.

BARREN-METCALFE EMERGENCY COMMUNICATIONS CENTER
STATEMENTS OF INCOME AND RETAINED EARNINGS
Years Ended June 30, 2001 and 2000

	<u>2001</u>	<u>2000</u>
REVENUE:		
Barren County Fiscal Court	\$ 223,579	\$ 220,888
Metcalf County Fiscal Court	51,391	49,531
Cell Phone	57,589	-
TOTAL REVENUE	<u>332,559</u>	<u>270,419</u>
OPERATING EXPENSES:		
Telephone	56,578	52,719
Suburban Propane	232	36
Depreciation	97,533	73,141
Dues	479	-
Professional Services	3,062	1,890
Expense Reimbursement-Ambulance Service (Note 2)	36,000	36,000
Expense Reimbursement-City of Glasgow (Note 2)	28,800	28,800
Expense Reimbursement-City of Edmonton (Note 2)	11,600	7,200
Expense Reimbursement-Glasgow wages & benefits (Note 4)	8,835	-
Office Supplies	4,099	2,471
Educational Training	-	462
Postage	67	99
Travel	170	-
Repairs and Maintenance	31,916	26,267
Insurance	1,054	1,057
Operating Supplies	1,454	571
TOTAL OPERATING EXPENSES	<u>281,879</u>	<u>230,713</u>
OPERATING REVENUE (LOSS)	<u>50,680</u>	<u>39,706</u>
OTHER INCOME (EXPENSES):		
Interest income	16,578	15,828
Interest expense	(23)	-
Miscellaneous	36	-
TOTAL OTHER INCOME (EXPENSES)	<u>16,591</u>	<u>15,828</u>
NET INCOME (LOSS)	67,271	55,534
RETAINED EARNINGS, BEGINNING	541,233	485,699
RETAINED EARNINGS, ENDING	<u>\$ 608,504</u>	<u>\$ 541,233</u>

The accompanying notes are an integral
part of the financial statements.

BARREN-METCALFE EMERGENCY COMMUNICATIONS CENTER
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2001 and 2000

	<u>2001</u>	<u>2000</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Operating Income (loss)	\$ 50,693	\$ 39,706
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation and amortization	97,533	73,141
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(286)	(717)
(Increase) decrease in prepaid insurance	(38)	(18)
(Increase) decrease in prepaid maintenance	(3,149)	(171)
Increase (decrease) in accounts payable	1,436	(40,084)
Net Cash Provided (Used) by Operating Activities	<u>146,189</u>	<u>71,857</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest on investments	16,578	15,828
Cash payments for the purchase of property	(91,569)	(27,108)
Cash provided (used) for the sale (purchase) of investments	<u>(45,244)</u>	<u>(19,986)</u>
Net Cash Provided (Used) by Investing Activities	<u>(120,235)</u>	<u>(31,266)</u>
 NET INCREASE (DECREASE) IN CASH	 25,954	 40,591
 CASH, BEGINNING OF YEAR	 <u>44,711</u>	 <u>4,120</u>
 CASH, END OF YEAR	 <u><u>\$ 70,665</u></u>	 <u><u>\$ 44,711</u></u>

**BARREN-METCALFE EMERGENCY COMMUNICATIONS CENTER
NOTES TO FINANCIAL STATEMENTS**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting:

The full accrual enterprise accounting system is utilized in the presentation of all financial statements. Revenues are recognized in the accounting period in which they are earned and become measurable; expenses are recognized when they are incurred. The operation of the Center is being reported as a Proprietary Fund Type.

Reporting Entity:

The Barren-Metcalfe Emergency Communications Center is a quasi-governmental unit founded by an interlocal agreement between the Barren County Fiscal Court, City of Glasgow, City of Cave City, City of Park City, City of Hiseville, Metcalfe County Fiscal Court, and the City of Edmonton. These founders also serve on the Governing Board. The agreement is an effort to systematically coordinate all emergency request and response communications. The initial term of the agreement ran to June 30, 1994. The agreement renews automatically on an annual basis. Each member has the right to terminate their participation in the agreement by giving notice in writing to the other members at least thirty days prior to the close of each period (June 30).

The Center, including equipment, dispatchers, and records is located in the Glasgow Police Department. The Barren-Metcalfe Ambulance Service, Glasgow Police Department, and the Glasgow Fire Department each provide dispatchers. The schedule is arranged so that a representative from each organization is on duty at all times.

Funding:

The Barren County Fiscal Court and the Metcalfe County Fiscal Court, pursuant to KRS 65.760, established fees to be paid by the general public as telephone users to pay the costs of establishing, maintaining, and operating the Center. The telephone companies serving the residents of the area collect the fees and, after deducting a reasonable collection fee, remit the net fee to the fiscal courts of Barren and Metcalfe counties, who in turn remit the fees to the Center's Board.

Governing Board:

The Center's Governing Board is composed of the following:

Barren County Judge Executive	Metcalfe County Judge Executive
One Barren County Magistrate	Mayor, City of Edmonton
Mayor, City of Glasgow	City Council Member, Glasgow
Two members, elected by an advisory council; one from Barren County, and one from Metcalfe County.	

The Advisory Council Members are as follows, with one representative from each organization:

Glasgow Fire Department	Glasgow Police Department
Barren Co. Fire Chiefs' Assn.	Metcalfe Co. Fire Chiefs' Assn.
Park City Police	Barren-Metcalfe County EMS
Cave City Police	KSP – Bowling Green Post
KSP – Columbia Post	Barren County Sheriff
Metcalfe County Sheriff	Barren County DES
Metcalfe County DES	Edmonton Police Department
City of Cave City	City of Glasgow
City of Park City	City of Hiseville
City of Edmonton	Barren County Citizen
Metcalfe County Citizen	

BARREN-METCALFE EMERGENCY COMMUNICATIONS CENTER
NOTES TO FINANCIAL STATEMENTS, CONTINUED

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONCLUDED:

Property, Plant and Equipment:

Property, plant and equipment are stated at cost. Depreciation over the useful lives of the property is determined on the straight-line method. The estimated useful lives used in computing depreciation are as follows:

Building Improvements	10 years
Equipment	5 - 10 years
Furniture	10 years

Cash Flows:

For purposes of the statement of cash flows, the Center considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

Receivables/Bad Debts:

The Center uses the direct write-off method for bad debts. No allowance for bad debts has been provided as no material write-offs are expected for receivables at June 30, 2001. The direct write-off method does not significantly depart from generally accepted accounting principles.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. This will affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

2. EXPENSE REIMBURSEMENTS:

The 911 Board approved appropriating \$2,400 per month to Glasgow and \$1,000 per month to Edmonton to help with the expenses incurred, and \$3,000 per month to Barren/Metcalf County Ambulance Service for expenses incurred. The 911 Board also approved to reimburse the City of Glasgow for 80% of the salary for the newly hired wireless dispatcher position.

3. INVESTMENT – SINKING FUND:

The 911 Board approved setting up a Sinking Fund for the replacement of equipment. The fund was started with \$150,000 and has a requirement to deposit \$2,500 monthly. During the year ending June 30, 2001, the Center invested in certificates of deposit, all of which were insured and held by a security broker in the Center's name. All investments are stated at cost and gains or losses from sales of securities are determined by the specific identification method.

The following is a summary of investments as of June 30, 2001 and 2000:

	<u>June 30, 2001</u>		<u>June 30, 2000</u>	
	<u>Cost</u>	<u>Market Value</u>	<u>Cost</u>	<u>Market Value</u>
Insured C.D.s	<u>\$312,743</u>	<u>\$312,743</u>	<u>\$267,498</u>	<u>\$267,498</u>

BARREN-METCALFE EMERGENCY COMMUNICATIONS CENTER
NOTES TO FINANCIAL STATEMENTS, CONCLUDED

4.	<u>BANK DEPOSITS:</u>	
	Amount insured by FDIC	\$ 70,665
	Collateralized with securities held by the pledging financial institution's trust department	-0-
	Uncollateralized	<u>-0-</u>
	Carrying amount of total deposits	<u>\$ 70,665</u>

CAMPBELL, MYERS & RUTLEDGE
CERTIFIED PUBLIC ACCOUNTANTS

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Report on Compliance and on Internal Control
over Financial Reporting based on an Audit of
Financial Statements Performed in Accordance
With Government Auditing Standards

Barren-Metcalf Emergency Communications Center
Glasgow, KY 42141

We have audited the financial statements of Barren-Metcalf Emergency Communications Center for the years ended June 30, 2001 and 2000, and have issued our report thereon dated December 28, 2001. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Barren-Metcalf Emergency Communications Center's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our test disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered Barren-Metcalf Emergency Communications Center's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

A handwritten signature in cursive script, reading "Campbell, Myers & Purkayastha".

Certified Public Accountants

December 28, 2001

